


Andrew S. Berkman, Esq  
July 19, 1993  
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- point 5: There is no requirement that individual bulk rate contracts be reviewed or approved by this agency. If you are aware of a Time Warner bulk rate contract which violates the substantive terms of Time Warner's bulk rate agreement with the City, you may submit a specific complaint.

Sincerely,



David E. Bronston  
General Counsel

/dh

cc: Jaclyn A. Brillling, Esq.  
W. James MacNaughton, Esq.  
Susan Kassapian, Esq.  
Martin J. Schwartz, Esq.  
Eileen Huggard  
Bill Squadron  
Bruce Regal, Esq.

Susan Kassapian, Esq.

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building to pursue discussions of such bulk rate opportunity. Since the "Dear Building Resident" letter expressly refers to and attaches a copy of the previously sent notice to owners, it is difficult to understand how Mr. Berkman or his client could confuse the two or believe that they had any basis for their false allegation that TWCNYC failed to give notice to building owners in a timely manner.

2. The DTE's approval of TWCNYC's bulk rate proposal was not a franchise amendment requiring approval by the New York State Commission on Cable Television ("NYSCCT"). The DTE has so stated in papers it filed with the NYSCCT on January 13, 1993. TWCNYC is "authorized" under its franchise agreement with the City of New York, which was confirmed by the NYSCCT, to enter into bulk rate agreements upon the approval of the DTE. The "Dear Building Resident" letter does not represent that the NYSCCT has "approved" the bulk rate agreement itself. Accordingly, TWCNYC's "Dear Building Resident" letter is accurate and is not "incomplete and misleading."

3. TWCNYC is authorized to enter into bulk rate agreements without any further approval from the DTE or the NYSCCT. A form of bulk rate agreement has been approved by the DTE. There are no material terms and conditions which remain unresolved. TWCNYC is ready, willing, and able to enter into bulk rate agreements.

4. TWCNYC can enter into and lawfully perform a bulk rate agreement without the approval of the Division of Housing and Community Renewal ("DHCR"). Similarly, to the best of TWCNYC's knowledge, any landlord may enter into and lawfully perform its obligations under TWCNYC's bulk rate agreement. The bulk rate agreement approved by the DTE provides that it is "subject to all applicable laws, rules or regulations of the United States, New York State, and the City of New York and the agencies thereof." The agreement further provides that "in order to comply with applicable Federal, State, or City laws, rules, or regulations, or with its Franchise Agreement, [TWCNYC] may immediately cancel this Agreement without further obligation."

It is not the responsibility of TWCNYC to make application to DHCR for any "rental regulatory approval." Furthermore, there is no allegation by Mr. Berkman that 838 Park Avenue, the cooperative apartment building where Howard Milstein resides, is even subject to rent control/rent stabilization laws. Landlords

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<sup>1</sup> For clarity, any future letters to residents or building owners will state that the bulk rate proposal has been approved by the DTE pursuant to TWCNYC's franchise agreement.

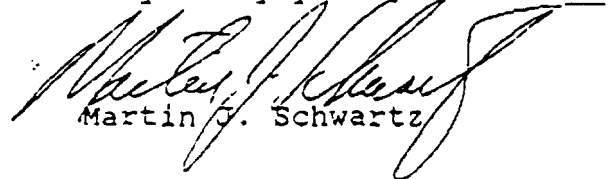
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who do not wish to undertake the obligations of a bulk rate agreement and/or who do not wish to implement such an agreement at their building in a manner consistent with any applicable rent stabilization/rent control requirements, are under no duty to enter into such an agreement with TWCNYC (or Liberty).

To the best of TWCNYC's knowledge, neither Liberty's advertisements in newspapers of general circulation nor its promotional literature sent to residents and building owners states that DHCR approval is or may be necessary in order for a bulk or building-wide contract to be executed or performed. Liberty's standard form contracts that TWCNYC has seen do not condition the efficacy of such contract on DHCR approval. Liberty's attack against TWCNYC is therefore hypocritical as well as baseless.

5. Mr. Berkman has not annexed the "sample bulk rate contract" referred to in his letter or explained why it allegedly "creates a consumer problem" or how it varies materially from the form of contract approved by the DTE. TWCNYC declines to speculate on the meaning of Mr. Berkman's impenetrably vague allegations. TWCNYC intends to enter into bulk rate agreements that are materially consistent with the terms and conditions of the DTE's approval. Furthermore, the substantive terms of TWCNYC's contracts with building owners are not within the Department of Consumer Affairs' jurisdiction, and Liberty Cable has no standing to intrude itself into TWCNYC's existing or prospective contractual relations with building owners in any forum.

Very truly yours,



Martin J. Schwartz

cc: Jaclyn A. Brilling, Esq.  
W. James MacNaughton, Esq.

CERTIFICATE OF SERVICE

I, Robert S. Childress, do hereby certify that true copies of the foregoing "REPLY OF TIME WARNER ENTERTAINMENT COMPANY, L.P. TO OPPOSITIONS TO PETITIONS FOR RECONSIDERATION" were sent this 4th day of August, 1993, by first class United States mail, postage prepaid, to the following:

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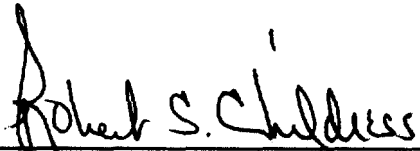
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